currently uses to route its own local exchange traffic crossing through the switch, for these facilities will provide the most efficient and most cost-effective transport method for carrying such calls. Thus, the Commission's rules require ILECs to offer both dedicated transport on an unbundled basis and to offer common transport using its existing facilities.[43] As the Commission summarized in its *Interconnection Order*, ILECs must "provide access to shared interoffice facilities *and* dedicated interoffice facilities between the above-identified points in incumbent LECs' networks, including facilities between incumbent LECs' end offices, new entrant's switching offices and LEC switching offices, and [digital cross-connect systems]."[44] Common end office transport involves transport "between incumbent LECs' end offices" using facilities used by the incumbent LEC to provide a telecommunications service. SBC's supporting materials, including the affidavits of SBC witnesses Kaeshoefer and Deere, do not demonstrate that SBC will be providing unbundled switching and common transport in compliance with these requirements.

### 1. SBC Must Not Interfere with the Right or Ability of Purchasers of the Unbundled Switching Element to Provide Access Services

Purchasers of local switching must also be able to provide exchange access services using the unbundled switching element. However, SBC's brief and supporting materials do not address this issue. For example, Mr. Kaeshoefer's affidavit describes SBC's local switching element, but is silent on whether SBC intends to levy access charges to lines served by another carrier through the unbundled switching element. The Commission must

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[43] 47 C.F.R. § 51.319(d).

[44] *Interconnection Order* ¶ 447 (emphasis added).

receive a clear answer to this question, for the Act and the Commission's rules preclude such a practice.

An entity purchasing unbundled switching obtains *all* of the features, functions and capabilities of the switch. As the Commission made clear, this entity obtains the *exclusive right* to provide switching to the subscriber. That right includes the right to provide both originating and terminating access to the customer. Therefore, SBC should clarify that it will not attempt to withhold the right to bill access from a purchaser of its ULS element and that it will not itself levy access charges on lines served through the unbundled local switching element or on calls completed to those lines.

Moreover, SBC's affidavits do not indicate whether it will provide the data and recording capabilities necessary for carriers purchasing the switching element to render their own access bills. Without knowing whether SBC will provide this information, and how it intends to do so, it is impossible to evaluate whether SBC's ULS element satisfies the Act.

### 2. SBC Must Permit Access to All of the Features and Capabilities of the Local Switch Without Interference

SBC does not state the extent to which (if at all) customized routing features will be made available to purchasers of unbundled switching and local transport. Customized routing is essential to the development of competition in the local exchange as Congress envisioned it. Such routing capability enables carriers purchasing unbundled local switching to purchase (or self-provision) interoffice transport from another carrier or to route traffic to the most efficient trunk group for completion. Customized routing also enables requesting carriers to provide operator services or directory assistance through sources other than the ILEC, for

example. Although SBC asserts that purchasers of unbundled switching will have access to the same features made available to end users and "all vertical features the switch is capable of providing,"[45] it does *not* state that purchasers will be able to access these features if they are supplied by a provider other than SBC. Without the ability to perform customized routing, carriers will not be able to combine unbundled switching with the operator services of other suppliers, for example.

The record demonstrates that SBC has attempted to deny access to some features of the switch. For example, SBC does not offer local switching with DS1 trunk port connections, which are necessary to use the customized routing features of the switch. As described by AT&T witnesses Falcone and Turner, SBC has not included prices for DS1 trunk ports in its interconnection agreements and has ignored AT&T's requests for DS1 prices.[46] Without DS1 trunk port pricing, carriers cannot utilize all of the capabilities and features of unbundled switching.

In addition, SBC is denying equivalent access to these functions by insisting that all purchases of unbundled elements be treated as special circuits for testing and maintenance purposes, even when no physical change is made and these functions could continue to be performed in the same manner that SBC provides them to itself. As described in the affidavit of AT&T witnesses Falcone and Turner, SBC insists on treating unbundled element purchases as special designated circuits, even if a CLEC purchases all of the network

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[45] SBC Brief at 31; Kaeshoefer Aff. ¶ 48.

[46] Falcone/Turner Aff. at ¶¶ 60-61. Moreover, although Track B is not applicable here, it is noteworthy that SBC does not list DS1 trunk ports in its SGAT either. *See* SGAT, Appendix Pricing Schedule at 2.

elements used for the same service from SBC.[47] As a result, SBC will move maintenance and testing functions from its own, automated system to a separate, manual system and will require a customer to be out of service while a new test point is installed on the circuit.[48] These changes are wholly unjustified when a CLEC purchases all of the elements -- a loop, switching, transport, etc. -- from SBC. All that is needed is a change in SBC's billing systems, not a physical or software change in the network.[49]

### 3. SBC Must Permit Nondiscriminatory Access to its Interoffice Network, Including Common Transport Using the Same Facilities SBC Uses for its Own Local Traffic

SBC asserts that it will make both dedicated and common transport available and will do so "in exactly the same manner that SWBT provides such transport to itself and others."[50] CompTel assumes that by using the term "common transport" and by committing to providing such transport in "exactly the same manner" it is provided to SWBT, that SBC will offer transport over its interoffice network, using the existing routing instructions it uses to route its own local exchange traffic. The Commission should require SBC to clarify that it will offer transport in this manner before it assesses SBC's compliance with the checklist's unbundled transport requirement.

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[47] Falcone/Turner Aff. ¶ 29.

[48] *Id.* ¶ 31.

[49] *Id.* ¶ 28.

[50] SBC Brief at 31; Kaeshoefer Aff. ¶¶ 43-45.

## B. SBC is not Providing Access to Operational Support Systems that Meets its Interconnection Obligation Under the Act

Central to the success of an access or interconnection arrangement are Operational Support Systems ("OSS") sufficient to allow CLECs to order, monitor, and use unbundled elements in a timely and reliable manner. If CLECs do not receive OSS access equivalent to that which the ILEC provides itself, "competing carriers would operate at a significant disadvantage with respect to the incumbent."[51] Competitors would not be able to provision services that are truly competitive with those offered by the ILEC, and consumers would be denied the benefits of a competitive market. Accordingly, the Commission should consider nondiscriminatory access to OSS not only as a separate unbundled element under its rules,[52] but also as a prerequisite to other checklist items, such as unbundled switching and resale.

SBC's OSS systems are not commercially available at this time. Many of its electronic ordering and provisioning systems, most notably its EASE and EDI Gateway systems, are designed only for resold services.[53] They do not support ordering, provisioning or status for unbundled network elements, such as local switching or unbundled loops. Moreover, EASE excludes larger business customers.[54] These systems also are not

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[51] *Interconnection Order*, ¶ 518.

[52] *Id.* at ¶ 516.

[53] Ham Aff. ¶¶ 28, 30-31.

[54] *Id.* ¶ 28 (EASE is limited to business customers with fewer than 30 lines).

available for the resale of lines provided to privately owned pay telephones, even though SBC's own personnel have electronic access to ordering for these customers.[55]

Most of the OSS functions SBC describes are systems which currently are being developed or tested. For example, an EDI pathway to OSS is required to meet the FCC's OSS standards, yet EDI is only at the testing stage, with SBC expected to be *ready* to test the system with a CLEC "sometime in the April 1997 time frame."[56] Other aspects of SBC's planned OSS systems may not initially be deployed until July 1997.[57] Clearly SBC's systems are new and at this point unproven. They cannot be the basis for a Commission finding that SBC has "fully implemented" access to this network element.

A brief comparison will illustrate why SBC's OSS cannot be relied upon at this stage of its deployment. SBC describes the OSS it plans (or hopes) to implement, but admits that "*no* CLECs are using, on a 'live' basis, any of the electronic interfaces SWBT makes available for pre-ordering, ordering/provisioning, maintenance/repair, and billing."[58] In the local service market, OSS is a potentiality, not a reality. By contrast, the primary interexchange carrier ("PIC") process in the interLATA market is mature and validated by 13 years of use. InterLATA carriers, including SBLD if it receives the authority it requests, can submit change orders quickly, cheaply, and reliably through well-tested automated and

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[55] This issue is discussed more fully in the comments of U.S. Long Distance, Inc., which also are being filed today.

[56] Ham Aff. ¶ 29.

[57] Report and Recommendations of the Administrative Law Judge at 36 (Cause No. PUD970000064 Okl. Corp. Comm., April 21, 1997).

[58] Ham Aff. ¶ 45.

manual processes. The capacity of these systems is beyond question; they have been used to switch more than 30 million customers annually.[59] Given the ease with which SBC could process orders to acquire interLATA customers, it is critical that competing carriers have the ability to process orders for local exchange customers on a par with SBC's own local exchange operations.

## V. EVEN IF SBC'S APPLICATION WERE NOT OTHERWISE DEFECTIVE, THE COMMISSION SHOULD DENY THE SBC APPLICATION AS CONTRARY TO THE PUBLIC INTEREST, CONVENIENCE AND NECESSITY

As demonstrated above, SBC's application fails to meet the requirements of Section 271(c)(1) and the competitive checklist. Accordingly, the application should be denied under the criteria of Section 271(d)(3) even before the Commission reaches the issue of the public interest. Nevertheless, grant of SBC's application is not in the public interest.

The express terms of Section 271(d)(3) establish three separate criteria for approval of a Section 271 application: the Commission must conclude (i) the application meets Section 271(c)(1) and the competitive checklist; (ii) the BOC will comply with the competitive safeguard provisions of Section 272; and (iii) grant of the requested authority "is consistent with the public interest, convenience, and necessity."[60] The structure of the statute

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[59] *Motion of AT&T to be Reclassified as a Non-Dominant Carrier*, 11 FCC Rcd 3271, at ¶ 53 (1995). *(AT&T Non-Dominance Order)*.

[60] *See* 47 U.S.C. § 271(d)(3). In construing the meaning of a regulatory agency's governing statute, the courts first look to the text of the statute itself. Sutherland, Stat. Const., § 27.03 (5th Ed.); *American Civil Liberties Union v. FCC*, 823 F.2d 1554 (D.C. Cir. 1987).

confirms that the public interest inquiry is separate and distinct from the Commission's other inquiries, and the Commission must make this judgment even if the other criteria are satisfied.

The public interest standard necessarily is open-ended and inexact. Public interest review was intended to allow the Commission to consider the analysis of the DOJ (which is not confined to evaluating checklist compliance) and to apply its traditional expertise in promoting the widespread availability of high-quality telecommunications services.

Approval of SBC's application is not in the public interest for two reasons. First, the competitive risks to the pace and scope of local exchange and exchange access competition significantly outweigh the meager benefits that entry by SBC can provide in the already competitive interLATA market. In assessing these risks, the Commission must be mindful that the prospect of Section 271 authority is the *only* incentive SBC and the other BOCs have to open their networks to competition. Second, BOC interLATA entry is not in the public interest when the BOC continues to receive grossly inflated access charges and benefits from discriminatory subsidies for universal service. The Commission is in the final stages of examining reforms to access charges and universal service, and it should not permit interLATA entry at least until it access is brought to cost and the Commission implements the competitively-neutral universal service mechanisms mandated by Section 254 of the Act.

### A. Section 271(d)(3) Incorporates the FCC's Traditional Powers to Regulate in the Public Interest

SBC concedes that the Commission's Section 271 review must go beyond the rote analysis of a checklist.[61] However, contrary to SBC's attempt to confine the Commission's discretion in this area,[62] the Commission's authority is quite broad.

The public interest standard of Section 271(d)(3) in fact is the same standard the Commission traditionally employs in exercising its authority under the Communications Act. Congress chose to require the FCC to find that the authorization will be "consistent with the public interest, convenience and necessity" -- the very same words used elsewhere in the Communications Act to grant the FCC broad powers to exercise its expertise and discretion in regulating the communications industry.[63] Congress' choice of words strongly suggests that it intended the Commission's review to be as broad as the Commission's application of the public interest standard in other contexts.[64] Thus, the Commission's public interest inquiry is guided not only by its authority under Section 214 of the Act (as SBC concedes)[65] but also by years of precedent addressing the Commission's authority elsewhere in the Communications Act.

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[61] SBC Brief at 52 (public interest is the "final element of the Commission's Section 271 analysis").

[62] *Id.* at 52-56.

[63] *Compare* 47 U.S.C. § 271(d)(3) *with* 47 U.S.C. §§ 201 (carrier rates and charges); 214 (common carrier authorizations); 302 (radio interference); 303 (frequency licensing and assignment); 706 (advanced telecommunications services).

[64] Sutherland, Stat. Const. § 27.03.

[65] SBC Brief at 53.

Courts have made clear that the "public interest" standard is expansive, eluding any pre-set formula and giving the agency broad latitude to take into account competitive and other considerations.[66] The grant of authority to regulate in the public interest confers "broad . . . not niggardly" powers upon the Commission.[67] When making these public interest judgments, "the Commission is exercising both its congressionally-delegated power and its expertise."[68] Accordingly, its judgments as to where the public interest lies enjoy substantial deference.[69] Indeed, the D.C. Circuit recently reaffirmed the Commission's authority under its public interest powers to take antitrust concerns into account in considering whether and on what terms to allow a monopoly carrier to enter into a competitive market.[70]

A broad construction of the public interest standard in Section 271 also is required to fulfill the Department of Justice's consultative role in the approval process. The Commission is obligated to "give substantial weight" to DOJ's recommendation on an application. Yet, the statute does not limit DOJ's analysis to the checklist items and instead allows it broad discretion to consider "any standard the Attorney General considers appropriate." As the President emphasized in his statement signing the Act,

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[66] *See FCC v. WNCN Listeners Guild*, 450 U.S. 582 (1981); *United States v. FCC*, 652 F.2d 72, 81-82 (D.C. Cir. 1980).

[67] *Nat'l Broadcasting Co. v. United States*, 319 U.S. 190, 219 (1943).

[68] *Syracuse Peace Council v. FCC*, 867 F.2d 654, 658 (D.C. Cir. 1989) *cert. denied*, 493 U.S. 1019 (1990).

[69] *California Ass'n of the Physically Handicapped v. FCC*, 840 F.2d 88, 94 (D.C. Cir. 1988); *see also Syracuse Peace Council*, 867 F.2d at 658.

[70] *See Atlantic Tele-Network, Inc. v. FCC*, 59 F.3d 1384, 1389-90 (D.C. Cir. 1995).

> . . . in deciding whether to grant the application of a regional Bell company to offer long distance service, the FCC must accord "substantial weight" to the views of the Attorney General. *This special legal standard, which I consider essential, ensures that the FCC and the courts will give full weight to the special competition expertise of the Justice Department's Antitrust Division* -- especially its expertise in making predictive judgments about the effect that entry by a Bell company into long distance may have on competition in local and long distance markets.[71]

The Commission could not fulfill this obligation if its public interest analysis were confined as SBC suggests. The public interest standard is the proper criteria of Section 271(d)(3) through which the Commission can weigh DOJ's analysis. Congress surely intended the Commission's discretion under the public interest to be robust enough to consider the types of issues the DOJ might raise in its analysis.

Finally, there is no merit to SBC's claim that the Commission is prohibited from considering the state of local competition in its public interest analysis.[72] Whether or not SBC's local markets are open to competition -- and whether SBC's integration of local and interLATA services presents risks to competition in local markets -- are traditional and valid inquiries under the "public interest, convenience and necessity" standard.[73] SBC is attempting to do here precisely what the Senate considered -- and rejected -- in its deliberations on the provision that ultimately became Section 271(d)(3). Raising the same arguments SBC is raising here, Senator McCain proposed an amendment to the bill which would have deleted the public interest test and relied solely upon satisfaction of the checklist

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[71] Statement by President William J. Clinton upon signing S.652, 1996 U.S. Code Cong. & Admin. News 228-1 (Feb. 8, 1996).

[72] SBC Brief at 55-56.

[73] *See Atlantic Tele-Network, Inc. v. FCC*, 59 F.3d 1384, 1389-90 (D.C. Cir. 1995) (FCC may consider antitrust concerns under the public interest analysis).

and separate affiliate requirements as prerequisites to BOC interLATA entry. The Senate rejected that amendment.[74] Thus, the Commission can and should look to the "public interest" in its analysis, and may properly consider any factor that bears upon the public interest, particularly the effect grant of the application might have on the state of competition in local services.

### B. Grant of SBC's Application is not in the Public Interest Because the Risk of Harm to the Development of Local Exchange and Exchange Access Competition Outweighs the Meager Benefits to Competition in InterLATA Services

In evaluating whether grant of the application is consistent with the public interest, the Commission must carefully weigh the alleged competitive benefits of SBC's entry into the interLATA market against the anticompetitive risks posed by such entry. SBC's entry into the interLATA market would produce only marginal benefits because that market is already competitive. By contrast, there has been little opportunity for competition to develop in the local exchange and exchange access markets and SBC still has the incentive and ability to exercise its monopoly power. Because the risks of harm to the pace and scope of local competition far outweigh the meager competitive benefits for the interLATA market, grant of the SBC application would not be in the public interest under Section 271(d)(3).

The interLATA market already is highly competitive today. The addition of SBC as a participant will produce only marginal increases in that competition, at best. The Commission found that the interLATA market is "robustly competitive" in 1995 when it

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[74] 141 Cong. Rec. S.7960-71 (daily ed. June 8, 1995).

reclassified AT&T as a non-dominant carrier, specifically stating that "most major segments of the interexchange market are subject to substantial competition today, and the vast majority of interexchange services and transactions are subject to substantial competition."[75] More recently, the Commission exercised its statutory forbearance authority for the first time to detariff virtually all interLATA services.[76] In that order, the FCC rejected as "unsupported" arguments that "current levels of competition are inadequate to constrain AT&T's prices" and concluded that "market forces will generally ensure that rates, practices, and classifications are just and reasonable."[77] As the interLATA marketplace is already competitive, there will be little or no benefit from the additional entry of SBC (or any other single market participant) into these markets.

In contrast, the risks posed by SBC's entry into the interLATA market at this time are great. SBC has monopoly power in the local exchange market.[78] Facilities-based competition in the local exchange marketplace has proven to be, and will continue to be, a slow and uneven process under the interconnection provisions of Section 251(c) of the 1996 Act. Granting SBC Section 271 authority now will only further impede the development of local competition. The prospect of interLATA authority under Section 271 is the only

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[75] *AT&T Non-Dominance Order*, ¶ 26.

[76] *See Policy and Rules Concerning the Interstate, Interexchange Marketplace; Implementation of Section 254(g) of the Communications Act of 1934, as amended*, CC Docket No. 96-61, Second Report and Order FCC 96-424 (rel. Oct. 31, 1996).

[77] *Id.* ¶¶ 21-22.

[78] SBC controls over 99 percent of the access lines in Oklahoma. This is monopoly power by any conceivable antitrust definition.

incentive for SBC and the other BOCs to open up their local monopoly networks to competition. As Ameritech's CEO, Richard Notebaert, observed,

> [t]he big difference between us and them [GTE] is they're already in long distance. What's their incentive to cooperate?[79]

Approving the SBC application when the local market is not open to competition removes SBC's incentive to cooperate, threatening the achievement of the interconnection, unbundling and resale provisions of Section 251 at a time when that incentive is needed the most. *Now* is the time when the Commission can lay the groundwork to repeat the success it found by nurturing competition in the interLATA market. Section 251 will go a long way toward providing meaningful opportunities for providers of all sizes, affiliations and market entry vehicles. However, the Commission must make sure that these changes are actually implemented before it authorizes SBC or the other BOCs to enter the interLATA market.

Furthermore, premature entry by SBC before competition develops in the local exchange and exchange access markets will give SBC an anticompetitive advantage over competitors. If, as expected, a significant percentage of local exchange customers prefer "one-stop shopping" for local and long distance service, interLATA entry by SBC at this time will cede the "one-stop shopping" market to SBC. Because the interLATA market already is mature and robustly competitive, SBC may draw upon established wholesale and retail mechanisms to quickly and easily provide service to prospective long distance

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[79] "Holding the Line on Phone Rivalry, GTE Keeps Potential Competitors, Regulators' Price Guidelines at Bay," *Washington Post*, October 23, 1996, at C12.

customers.[80] Its competitors do not have an equivalent opportunity to acquire customers in the local market, however. No other carrier has the services, facilities and support functions in place to provide "one-stop shopping" for local and long distance service. Accordingly, the Commission must consider, using traditional antitrust considerations as part of its Section 271 public interest review, whether premature entry by SBC into the long distance market will enable it to exploit its unfair competitive advantage as the sole carrier able to provide "one-stop shopping."

Another competitive risk of prematurely approving the SBC application is that if approval is granted when SBC has only partially opened its network, the Commission threatens the development of competition in areas that have not been opened. For example, too much reliance on whether SBC has opened its network to the CLEC seeking only unbundled loops will threaten to "lock in" only this form of local entry while precluding development of the platform approach to unbundled network elements. The Brooks Fiber model focus on only one possible aspect of competitive entry -- namely, use of high capacity fiber rings to serve high-density urban areas in connection with SBC's local loop facilities. Approval of the SBC application based solely upon this method would not give other carriers the flexibility to select other models to enter the market. This would stifle the growth of competition, "freeze out" large classes of potential competitors, and deny consumers the

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[80] For example, in less than a year, GTE claims to have signed up over 1 million interLATA customers. *Communications Daily*, December 3, 1996, at 1; *Wall Street Journal*, March 5, 1997, at B3. Switches in these volumes are available only because the interLATA market has developed, through over a dozen years of competition, automated processes for the ordering, billing, and maintenance of interLATA service. Similar processes are not yet available in the local market.

benefits of full competition in local exchange and exchange access services. Until new entrants have a variety of workable options for entering these markets, grant of Section 271 authority to SBC presents the risk of inhibiting the development of diverse competitive local networks and restricting local competition to an oligopoly composed of SBC and those capable of replicating the Brooks Fiber model of local services. The public interest is not furthered by local exchange and exchange access competition which is limited to specific markets or classes of competitors. The Commission, therefore, should deny the SBC application.

### C. Grant of the SBC Application Is Not in the Public Interest While SBC Still Receives Inflated Access Charges and Discriminatory Universal Service Subsidies

The Commission has concluded that current access charge rates and rate structure are excessive and inefficient.[81] The Commission has expressed concern that the current Part 69 access charge rules compel an ILEC to impose charges for access service in a manner which does not reflect the way in which it incurs costs for providing the service.[82] In particular, the Commission noted that costs for local switching are not recovered in the

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[81] *Access Charge Reform*, CC Docket No. 96-262, *Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, *Transport Rate Structure and Pricing*, CC Docket No. 91-213, *Usage of the Public Switched Network by Information Service and Internet Access Providers*, CC Docket No. 96-263, Notice of Proposed Rulemaking, Third Report and Order, and Notice of Inquiry, FCC 96-488 (rel. Dec. 24, 1996)("Access Charge Reform NPRM").

[82] *Access Charge Reform NPRM*, ¶ 71-72.

proper manner.[83] The Commission also acknowledged that current access charge rates are inflated, and proposed several alternatives for bringing such charges down to cost.[84]

At the same time, Congress mandated that the existing system of explicit and implicit subsidies in the name of "universal service" be reformed to collect and distribute universal seutral manner.[85] The FCC is considering a 400+ page recommendation from the Federal-State Joint Board on Universal Service identifying the areas of such subsidies and proposing a competitively neutral support mechanism.[86] In the meantime, SBC and other ILECs continue to receive the subsidies that Congress and the Joint Board concluded must end.

Grant of the SBC application is not consistent with the public interest as long as these conditions continue to exist. Inflated access charges allow SBC to place its competitors in a classic "cost-price" squeeze while not harming its long distance affiliate SBLD. Even if SBC imputes these access charges to SBLD (which it must), SBLD could price its services at little or no markup over access and still return a healthy profit to the combined SWBT/SBLD enterprise because access charges are well above SBC's costs. SBLD's competitors, on the other hand, could not profitably provide service at rates matching SBLD's. As a result, entry by SBC in the interLATA market at a time while it continues to collect inflated access charges is not consistent with the public interest. The Commission may not approve the SBC

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[83] *Id.*

[84] *Id.* ¶¶ 140-240.

[85] 47 U.S.C. § 254.

[86] Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Recommended Decision, FCC 96-3 (rel. Nov. 8, 1996).

application at least until it has reformed SBC's access charge rates and rate structure to collect cost-based charges for its access services.

Similarly, SBC enjoys an unfair advantage over potential local service competitors as a result of the existing system of universal service subsidies. These subsidies are structured to benefit only SBC, primarily at the expense of the entities that hope to compete with it. Moreover, current universal service subsidies are not narrowly targeted, presenting SBC with significant opportunities to shift these payments to subsidize its services subject to competition while maintaining above-cost rates for services not subject to competition. Unless and until the existing system of universal service subsidies are replaced and explicit, competitively neutral mechanisms are implemented, SBC's entry will not be consistent with the public interest.

## CONCLUSION

For the foregoing reasons, SBC's application for authority to provide in-region interLATA services in Oklahoma is premature. SBC has not opened its network in compliance with the Act, and as a result competitors are being denied the flexibility to enter the local exchange and exchange access markets using the models envisioned by Congress.

In addition, grant of SBC's application would not be consistent with the public interest at this time. Accordingly, the Commission should deny the SBC application.

Respectfully submitted,

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May 1, 1997

## CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing OPPOSITION OF THE COMPETITIVE TELECOMMUNICATIONS ASSOCIATION to be delivered on this 1st day of May, 1997 by either first class mail, postage prepaid or by hand to all parties listed on the attached service list:

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**STATE OF MICHIGAN**
**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

| | | |
|---|---|---|
| In the matter, on the Commission's own motion, to consider Ameritech Michigan's compliance with the competitive checklist in Section 271 of the Telecommunications Act of 1996 | ) ) ) ) ) | Case No. U-11104 |

**AFFIDAVIT OF TIMOTHY M. CONNOLLY**
**ON BEHALF OF AT&T COMMUNICATIONS OF MICHIGAN, INC.**

STATE OF ILLINOIS )
) ss.
COUNTY OF COOK )

I, Timothy M. Connolly, being first duly sworn upon oath, do hereby depose and state as follows:

1. My name is Timothy M. Connolly. My business address is 50 Fremont Street, Suite 320, San Francisco, California, 94105.

2. I am employed by the DMR Group, Inc. I am a management consultant specializing in information systems and technology projects involving the telecommunications industry.

3. I have worked in the telecommunications industry for over twenty-five years and have spent nearly all of those years in developing, managing, planning and evaluating information systems and technologies for telecommunications carriers in the United States and around the world. I worked for AT&T for fourteen years (until 1991) in its headquarters organizations and in its domestic and international subsidiaries providing technical advice, management assistance and assessments regarding information systems and the use of

information systems in customer operations. I worked for Illinois Bell Telephone Company prior to 1984 in its customer billing and services staff departments.

4. I have a Bachelor degree in Finance from Creighton University in Omaha, Nebraska and a degree in Management from the University of Illinois at Chicago. I have done postgraduate work in economics at Rutgers University, Newark NJ and in operations planning at the Wharton School, University of Pennsylvania in Philadelphia.

5. I have provided management and technical consulting services to exchange and interexchange telecommunications carriers in the United States, Canada, Europe and Asia in a variety of projects as an independent contractor and as an employee. I have worked in technical and administrative assignments in the areas of customer support systems, operations support systems, billing and customer service systems and other technology matters. I have provided consultant services to carriers endeavoring to enter new competitive markets and advised those clients in the technological characteristics of information systems that would support entry in those new markets, here in the US and abroad. Specific examples of the systems-oriented work I have done in the past five years is attached to my testimony.

**SUBJECT OF STATEMENT**

6. The purpose of my statement is to respond to Ameritech's claims that it has put in place electronic interfaces for all operations support systems ("OSS") functions that are presently available and operational for competitive local exchange carriers ("CLECs") seeking to resell Ameritech's local exchange services and unbundled network element ("UNE") offerings.

7. Based on my review and analysis of Ameritech's proposed OSS interfaces and my experience with the development of operations support systems in the telecommunications industry, I conclude that the interfaces are not yet operational and, at present, fall far short of providing a reasonable degree of operational support for AT&T's entrance into the local service market.